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1. INTRODUCTION

Lethabo Power Station is a coal-fired power station located in Free State Province, South Africa. It comprises six 618MW production units (i.e., installed capacity of 3 708MW). The power station's operational functions require a supply of spares utilized in the primary function of energy production and other related functions.

2. SUPPORTING CLAUSES

2.1 SCOPE

This document provides the tender technical evaluation strategy for the supply of spares at Lethabo Power Station. The document provides annexure schedule A and B (attached) developed to address various aspects required to perform the technical evaluations with reference to applicable Eskom technical standards.

2.1.1 Purpose

The purpose of this tender technical evaluation strategy is to define the Mandatory criteria and Qualitative Evaluation Criteria and TET member responsibilities for tender technical evaluation. The technical evaluation strategy serves as the basis for the tender technical evaluation process.

2.1.2 Applicability

This document applies to Lethabo Power Station only.

2.2 NORMATIVE/INFORMATIVE REFERENCES

Parties using this document shall apply the most recent edition of the documents listed in the following paragraphs.

2.2.1 Normative

[1] 240-48929482: Tender Technical Evaluation Procedure

[2] 240-70240749: Strategic and Critical Spares Policy

[3] 32-1033: Eskom Procurement and Supply Chain Management Policy

[4] 32-1034: Eskom Procurement and Supply Management Procedure

2.2.2 Informative

[1] 240-48197042 Procedure for the Identification and Planning of Plant Asset Obsolescence

2.3 DEFINITIONS

Term	Description
Spare	An item intended to replace a corresponding item to retain or maintain the original required function of the item or process.

2.3.1 Classification

Controlled Disclosure: Controlled Disclosure to external parties (either enforced by law, or discretionary).

2.4 ABBREVIATIONS

Abbreviation	Description
ISO	International Organization for Standardization
MW	Megawatt
TET	Technical Evaluation Team

2.5 ROLES AND RESPONSIBILITIES

As per 240-48929482: Tender Technical Evaluation Procedure

2.6 PROCESS FOR MONITORING

N/A

2.7 RELATED/SUPPORTING DOCUMENTS

N/A

3. TENDER TECHNICAL EVALUATION STRATEGY

3.1 TECHNICAL EVALUATION METHOD

A two stage Technical Evaluation Strategy is set out, consisting of the evaluation of a mandatory gatekeeper, followed by qualitative evaluation of the tenders that passed the mandatory gatekeeper's requirements

Mandatory criteria are 'must meet' criteria. These criteria shall not be weighted or point scored and shall be assessed on a yes/no basis as to whether the criteria are met. An assessment of 'No' against any mandatory criterion shall technically disqualify the tenderer and shall not be further evaluated against qualitative criteria.

Qualitative evaluation criteria are weighted evaluation criteria used to identify the highest technically ranked tenderer after all mandatory evaluation criteria have been met. The qualitative evaluation criteria are weighted to reflect the relevant importance of each criterion. The minimum weighted final score (threshold) required for a tenderer to be considered from a technical perspective is 70%. The recommendation on the highest technically ranked tenderer shall be based on the final scoring. The highest ranked tendered based on the score shall be recommended from a technical perspective, if the score exceeds the defined threshold of 70%.

Below is the Technical Evaluation scoring criteria method used for the qualitative evaluation.

Table 1: Technical Evaluation Scoring Method

SCORE	PERCENTAGE	DESCRIPTION
5	100	**COMPLIANT** • Meet(s) technical requirement(s)/AND; • No foreseen technical risk(s) in meeting technical requirements.
4	80	**COMPLIANT WITH ASSOCIATED QUALIFICATIONS** • Meet technical requirement(s) with; • Acceptable technical risk(s) AND/OR; • Acceptable exceptions AND/OR; • Acceptable conditions.
2	40	**NON-COMPLIANT** • Does not meet technical requirement(s) AND/OR; • Unacceptable technical risk(s) AND/OR; • Unacceptable exceptions AND/OR; • Unacceptable conditions.
0	0	**TOTALLY DEFICIENT OR NON-RESPONSIVE**

3.2 TET MEMBERS

Table 2: TET Members

All TET Members must be appointed prior to technical evaluations

3.3 MANDATORY TECHNICAL EVALUATION CRITERIA

Table 3: Mandatory Technical Evaluation Criteria

	Mandatory Technical Criteria Description	Reference to Technical Specification / Tender Returnable	Motivation for use of Criteria	(Y/N)
1.	Tenderer to submit completed Schedule A&B form	All gaskets tendered for must be fully completed under schedule B. Supplier will be deemed non-compliant if any of the items tendered for is not completed (NB! Supplier must complete schedule B with the actual specification of the items to be supplied and not a copy and paste from Schedule A – the model and series where applicable shall be provided, failure to do so will be deemed as non-compliant). Note that the submitted product specifications, models and series will form part of the contractual agreement thus will need to be adhered to throughout the contract period/duration	To ensure that the tenderer knows which spares will be supplied, and for the employer to verify that the tenderer understands and confirms the scope of work and technical specification requirements of the list of spares.	
2.	Demonstration of a QMS (Quality Management System)	Service Provider must submit the latest valid ISO 9001 certification. The proof of QMS is required to demonstrate the following: • The service provider's commitment to quality assurance and continuous improvement. • Ensuring traceability of components and conformity to required specifications • Promoting accountability and process control	To ensure that all services and deliverables meet the required quality standards, it is critical that the Service Provider operates under a formally established Quality Management System (QMS). The requirement for ISO 9001 certification is intended to: * Demonstrate the Service Provider's commitment to quality assurance and continuous improvement. * Ensure traceability and conformity of materials to required specifications, reducing the risk of defects, non-compliance, and counterfeit spares. Promote accountability and process control.	

3.4 QUALITATIVE TECHNICAL EVALUATION CRITERIA

Table 4: Qualitative Technical Evaluation Criteria

<table>
<tr><th></th><th>Qualitative Technical Criteria Description</th><th>Reference to Technical Specification / Tender Returnable</th><th>Criteria Weighting (%)</th></tr>
<tr><td>1.</td><td>Proof of 3 years of <u>verifiable experience</u> (within the last 5 years) in supplying spares stipulated in Schedule A. Proof can be a previous purchase order with details as described in the table below, preferably in power generation or similar industry. Five (5) references are required, for supply of spares listed in Schedule A.

Scoring Criteria:
0 = Not provided/no relevant experience
2 = Proof of supplying <u>similar</u> spares or proof of <u>1 to 2 relevant experience</u> in supplying of spares.
4 = Proof of <u>3 to 4 relevant experiences</u> in supplying of spares
5 = Proof of <u>5 or more relevant</u> experiences in supplying the spares
See example of the table to be submitted at tender phase below:

<table>
<tr><th>Company supplied</th><th>Description of spares supplied</th><th>Spares contract’s start and end date</th><th>Name, designation and contact number of reference person</th><th>Purchase order/contract number</th></tr>
<tr><td></td><td></td><td></td><td></td><td></td></tr>
</table>
$Percentage\ score = Criteria\ weighting\ X\ Evaluation\ score\ breakdown\ \%$</td><td>Schedule A&B</td><td>30</td></tr>
</table>

2.	**<u>Storage facility availability</u>**. Supplier to provide details – including distance from Lethabo stores - (in the form of a signed written letter) if there is an indoor industrial storage facility available to store consignment stock or if the supplier has a written agreement with the manufacturer/entity to store consignment stock. The client can visit the site at any given time given notice by the client prior to order placement to confirm site storage facility is indeed available. Scoring criteria 0 = Not having a facility or nothing submitted. 2 = Bidder does not have a dedicated indoor storage facility but indicates (by means of a signed letter) that he will get a place once contract is placed within a reasonable time. 4 = Bidder has a dedicated indoor storage facility outside 100km radius measured from the Lethabo Power Station Stores area. (Provide access for evaluation team to inspect if required by the team). 5 = Bidder has a dedicated indoor storage facility within a 100km radius measured from the Lethabo Power Station Stores area. (Provide access for evaluation team to inspect if required by the team). $Percentage\ score = Criteria\ weighting\ X\ Evaluation\ score\ breakdown\ \%$	Evaluation requirement to make sure the supplier can: Keep stock so that if the client needs a spare, it would be readily available. Supplied spares are stored in an indoor industrial storage facility.	15

3.	Submit list of all the spare items (gaskets) and indicate the **lead time** of each spare item Scoring Criteria: 0 = Not providing/indicating lead times or nothing submitted. 2 = Less than 100% of the indicated spares given a lead time. 4 = All spares indicated with a lead time provided. 5 = All spares indicated with a lead time and specified as less than 4 months for all of the spares. $Percentage\ score = Criteria\ weighting\ X\ Evaluation\ score\ breakdown\ \%$	Schedule A&B	15
4.	Submit Technical data sheets that contain all the technical data of the gasket as per the schedule submitted at tender phase: Scoring Criteria: 0 = Not provided or provided for less than 51% of all spare items 2 = Provided for 51% to 89% of all spare items 4 = Provided for 90% to 95% of all spare items 5 = Provided for more than 95% of all spare items $Percentage\ score = Criteria\ weighting\ X\ Evaluation\ score\ breakdown\ \%$	Schedule A&B	20
5.	Detailed method statement used in the past. Method statement must indicate the following: 1. Method statement (Supply & Delivery) – provide method statement for the supply and delivery of the gaskets in terms of: * Storage (how will stock be stored and managed at the supplier's facility) * Handling * Transport * Quality control * Managing lead times	Evaluation requirement to make sure the supplier can: Supply and deliver the correct gasket. Prevent damage to the gasket while it is transported.	20

	2. Provide Pre- & Post-delivery: Data Sheet Confirmation spares will be supplied by SABS Approved certification – Data sheets from previous orders completed to be provided as examples. 3. Warranty Certificates/Material Test Certificates Scoring Criteria: 0 = Not provided 2 = Provided one (1) of the listed requirements 4 = Provided two (2) of the listed requirements 5 = Provided all three (3) of the listed requirements $Percentage\ score = Criteria\ weighting\ X\ Evaluation\ score\ breakdown\ \%$		
		Total	100

3.5 TET MEMBER RESPONSIBILITIES

Table 5: TET Member Responsibilities

Mandatory Criteria Number	TET 1	TET 2	**TET 3**	**TET 4**	**TET 5**	**TET 6**
1	X	X	X	X	X	X
2	X	X	X	X	X	X
Qualitative Criteria Number	**TET 1**	**TET 2**	**TET 3**	**TET 4**	**TET 5**	**TET 6**
1	X	X	X	X	X	X
2	X	X	X	X	X	X
3	X	X	X	X	X	X
4	X	X	X	X	X	X
5	X	X	X	X	X	X

3.6 FORESEEN ACCEPTABLE / UNACCEPTABLE QUALIFICATIONS

3.6.1 Risks

Table 6: Acceptable Technical Risks

Risk	Description
1.	Equivalent products for obsolete material supported by datasheets where applicable.

Table 7: Unacceptable Technical Risks

Risk	Description
1.	Non-Equivalent products for obsolete material supported by datasheets where applicable.

3.6.2 Exceptions / Conditions

Table 8: Acceptable Technical Exceptions / Conditions

Risk	Description
1.	As per the requirements set out under the Qualitative Technical Evaluation Criteria section 3.4 of this document.

Table 9: Unacceptable Technical Exceptions / Conditions

Risk	Description
1.	Deviations to any part of the technical schedules without providing alternate solutions.
2.	The bid submission is generic, incomplete, and not tailored to address the specific objectives and scope.